

Message Text

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ACTION NEA-07

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C O N F I D E N T I A L JIDDA 0914

LIMDIS

E.O. 11652: GDS
TAGS: PFOR, EGEN, ETRD, ENRG, SA
SUBJECT: CROWN PRINCE DISCUSSES MIDDLE EAST PEACE AND
BOYCOTT ISSUES WITH ARAMCO CHAIRMAN

REF: DHAHRAN 1596

1. CROWN PRINCE FAHD INITIATED LONG CONVERSATION JANUARY 30
WITH ARAMCO CHAIRMAN JUNGERS, ON RESULTS OF LATTER'S RECENT
THREE-WEEK TOUR OF TWELVE U.S. CITIES. FOLLOWING ACCOUNT OF
MEETING AND TRIP IS AS TOLD BY JUNGERS TO ONGEN DHAHRAN.

2. JUNGERS TOLD FAHD THAT HE HAD RECEIVED SURPRISINGLY
FAVORABLE RECEPTION FROM AMERICAN BUSINESS LEADERS, WHO HAD
EXPRESSED THEIR WILLINGNESS TO STAND UP AND LAUNCH ATTACK
AGAINST THE ANTI-BOYCOTT CAMPAIGN. JUNGERS ALSO TOLD FAHD
HE HAD BEEN ENCOURAGED BY TREATMENT HE HAD RECEIVED IN U.S.
PRESS. HE HAD SEEN MANY PEOPLE, INCLUDING MANY AMERICAN
JEWS, AND HAD CERTAINLY MADE NO SECRET OF HIS MOVEMENTS
OR PURPOSE, YET NOT A CRITICAL WORD APPEARED IN NEWS
STORIES. JUNGERS SAID HE HAD ANTICIPATED A RATHER
VICIOUS PRESS ATTACK ABOUT ARAMCO, THE OIL GIANT,
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PRESSURING US LEADERS IN FAVOR OF GREEDY ARAB OIL SHEIKS
AND AGAINST UNDERDOG ISRAELIS.

3. PRINCE FAHD DISPLAYED PARTICULAR INTEREST IN JUNGER'S
REPORT ON HIS CONVERSATION WITH SECRETARY VANCE.
JUNGERS AND ARAMCO VP ELASS BOTH REPORTED THAT THEY WERE VERY
FAVORABLY IMPRESSED BY THE SECRETARY, WHO APPEARED WELL

BRIEFED FOR THE MEETING, WELL INFORMED ON THE MIDDLE EAST IN GENERAL, AND CLEARLY PLACING HIGH PRIORITY ON A MIDDLE EAST SETTLEMENT. PRINCE FAHD SEEMED INTENSELY INTERESTED IN THE SECRETARY'S ATTITUDE AND APPROACH. PRINCE READILY AGREED WITH JUNGERS' JUDGMENT THAT THE VANCE VISIT IS PARTICULARLY SIGNIFICANT BECAUSE IT COMES SO SOON AFTER PRESIDENT'S INAUGURATION AND SO SOON AFTER PUBLIC STATEMENT ABOUT HIS NOT WISHING TO TRAVEL FOR SOME TIME AFTER TAKING OFFICE. FAHD WAS PLEASED THAT JUNGERS HAD TOLD SECRETARY VANCE THAT SAUDIS HAD ATTACHED NO STRINGS TO THEIR DOHA OPEC GESTURE. AT THAT POINT IN CONVERSATION, CROWN PRINCE CLEARLY RESTATED THAT SAG POSITION TO THE ARAMCO EXECUTIVES.

4. PRINCE FAHD SHOWED PARTICULAR INTEREST AT FOLLOWING POINTS IN THE DISCUSSION: (A) AFTER JUNGERS MENTIONED TO SECRETARY VANCE THE "TENUOUS NATURE" OF THE OPEC TWO-TIER PRICE SYSTEM AND DIFFICULT POSITION SAUDIS ARE IN, THE SECRETARY RESPONDED WITH EXPRESSION OF HOPE THAT SAUDIS WOULD NOT BE FORCED TO GIVE IN FOR NEXT SIX MONTHS OR SO; (B) FAHD NODDED AGREEMENT WHEN JUNGERS MENTIONED TELLING THE SECRETARY THAT SAG HAD APPROACHED ARAMCO ABOUT ADDITIONAL CAPITAL TO EXPAND PRODUCTION, AN INDICATION OF SAG SERIOUSNESS IN THE OPEC STRUGGLE; (C) JUNGERS REPORTED ON MEETINGS WITH SEVERAL AMERICAN JEWISH LEADERS, WHO ALL INDICATED CONCERN ABOUT POSSIBLE ECONOMIC DAMAGE TO US AND A BACKLASH AGAINST JEWS IF WE DO NOT MOVE FROM CONFRONTATION TO NEGOTIATION ON ARAB-ISRAEL ISSUE. JUNGERS SAID
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THAT, BEFORE MEETING HE HELD JANUARY 28 WITH KEY JEWISH LEADERS, HE WAS ABLE TO REPORT TO THEM THAT SAUDIS HAD MADE DECISION AND INSTRUCTED THEIR CONSULATES AND ARAB-AMERICAN CHAMBERS OF COMMERCE THAT POSITIVE CERTIFICATION CAN NOW BE ACCEPTED IN DOCUMENTS.

5. CROWN PRINCE OBSERVED HE ALSO FEELS VARIOUS ELEMENTS IN THE MIDDLE EAST ARE CALMING DOWN. AS AN EXAMPLE, HE SAID PALESTINIAN LEADERS ABU IYAD AND ABUD LUTF (AMONG WORST PALESTINIAN EXTREMISTS) WHO ONCE CONSIDERED SAUDIS AS ENEMIES, ARE NOW MUCH FRIENDLIER FOLLOWING EIGHT DAYS VISIT TO SAUDI ARABIA AS GUEST OF SAG. THE PALESTINIANS HAD BEEN ALLOWED TO WANDER FREELY, INCLUDING VISITS TO CITIES OF MECCA AND MEDINA ("TO GET A LITTLE RELIGION") AND TO ABU IYAD'S SISTER WHO LIVES IN SAUDI ARABIA. FAHD STRESSED THAT PALESTINIANS, IN GENERAL, ARE MUCH MORE REASONABLE NOW.

6. JUNGERS SUGGESTED THAT DURING FAHD'S FORTHCOMING US

TRIP, ONE EVENING SHOULD BE SET ASIDE FOR ARAMCO TO BRING
TOGETHER AMERICAN BUSINESS LEADERS FOR A WIDE-RANGING
DISCUSSION WITH THE CROWN PRINCE. FAHD AGREED.
PORTER

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